GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2476
ANSWERED ON:10.03.2000
UTILISATION OF FUNDS BY J & K
VISHNU DATT

Will the Minister of FINANCE be pleased to state:

(a) the total amount provided to the State of J&K on account ofvarious Central grants, special assistance and loans during the last three years as also during the current year, till date ;

(b) whether the State has faced serious cash crunch and the reasons extended by the State Government for this crunch;

(c) whether the State Government has been diverting the Centralgrants for other purposes than for which these were sought and provided;

(d) if so, the details thereof;

(e) the steps taken to ensure the proper use of the Central funds; and

(f) the amount involved in which the State has yet to provide the utilisation certificates?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

SHRI BALASAHEB VIKHE PATIL

(a) & (b) Finance Ministry releases Central Assistance forState plan allocated by the Planning Commission to all the States including J&K, in the shape of block grants and block loans. Block grants and block loans including Special CentralAssistance, released to the Government of J&K during the last three years and in the current year till date is as follows:

(Rs. In crore)

Year	Block grants	Block loans
96-97	1636.36	279.51
97-98	2034.83	224.89
98-99	2148.53	235.19
99-00	2399.34	267.60

State Government has been requesting this Ministryfrequently for making advance release due to liquidity problems being faced by them on account of accumulated bills. Advance releases have been made to the State Government to enable them tide over their cash problem.

(c) to (f) For the releases made under the State Plan, the State Governments are accountable to their State Legislatures for proper utilization of funds through the State Audit Reports prepared bythe CAG of India under Article 151(2) of the Constitution. However,if there is shortfall in plan expenditure as against approved/ revised plan outlay, a proportionate cut is made from the central assistance released to the State. No shortfall in expenditure as against plan outlay approved by the Planning Commission has beenreported by the State Government in the recent years.